FBIS DAILY REPORT

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PRESIDENT TORRELIO VILLA GIVES YEAREND MESSAGE

PY010311 La Paz Radio Illimani Network in Spanish 0102 GMT 1 Jan 82

[Yearend message to the nation by President Gen Celso Torrelio Villa on 31 December from Government House in La Paz -- live or recorded]

[Text] Bolivian brothers: We have left behind the year 1981, a year during which fundamental and profound changes were started for the benefit of our beloved fatherland. Ahead of us lies a new future that, despite its inevitable dependence on our past, offers us new and promising prospects. Tradition calls for a presentation on this date of a detailed report on the actions of the government for the benefit of the people. In this regard, and because henceforth we must be more interested in the future, I will be brief.

The armed forces of the nation decided to entrust me with the presidency of the republic at a difficult moment when the fatherland was facing not only the worst economic, political and moral crisis of its history, but also the threat of a fratricidal confrontation, the evil of a civil war created by selfish and narrow interests of those who would rather see the nation founder than governed by civilian and military citizens who are really concerned over its fate and destiny.

I took over the nation's government with the conviction that the forming of a new government was the only alternative for putting a stop to the anarchy into which we were heading and to the disintegration of Bolivia itself. I did so without political commitment whatsoever. In a brief period of time and accelerating the passage through some stages in view of the seriousness of the situation, we attained our initial objectives: restoring peace and unity within the armed forces, which have recovered the understanding and practice of hierarchical command so that their integrity, which stands for the integrity of Bolivia, has become consolidated.

Then in a climate of peace and fraternal confidence we tackled with as much serenity and realism as possible the effort of identifying the causes of the persistent structural and institutional maladjustments which caused an accelerated and sustained worsening of not only our moral, economic and political malaise, but also our foreign dependency. As a result of this effort we prepared and presented on 21 October 1981 the 3-year government plan, the objective of which is to shape a new model of national existence and order so that the efforts and work of Bolivians might be fruitful. These efforts and work have so far been lost in the ineffectiveness of an anachronistic and outmoded organization. The government's 3-year plan should be understood, in its general context, as divided into three main phases in terms of space and time.

The first of these phases is the economic and financial reorganization and reactivation along with the boosting of moral standards. It will be completed in 1982. The priority granted to this particular area is based on the social consequences of the crisis whose painful results are unemployment, the lack of industrial inputs and a dangerous escalation of domestic prices.

The second phase is that of political and administrative reorganization. It will be carried out in 1983 through studies and approval, by the appropriate organizations, of constitutional amendments, of new laws on political parties, elections, minicipal organization, labor and labor unions, as well as laws related to the organization of public administration of state-owned enterprises. Only after the new economic-financial, political and administrative framework has been completed and strengthened -- thus supplying us with a secure path toward a state of law capable of surviving and endowed with the indispensible creative power, through which we shall be able to attain the goals and the great national objectives, and supplied with the machanisms capable of protecting us from ancient evils, which plague us even today -- will we move, in 1984, toward the final institutionalization of public branches.

All Bolivians, including those who for personal reasons or because of their affiliation with alien political trends oppose the armed forces government, are aware of the status quo as well as the fact that the only option for the nation's survival is that outlined in the program of the armed forces government.

Due to circumstances and our lack of ability to make corrections, we are living amid a divided society made up by some antagonistic factions and stagnant factions. We have a capitalistic economy which awards full recognition to private property and free enterprise which coexists, however, with a tendency, toward state control without any clear-cut rules of the game. There is a peasant sector which despite its majority status has barely broken through its semifeudal stagnation and constitutes an economically encysted and stagnant society. There is an incipient business sector which must make better use of both domestic and foreign opportunities.

A reorganization is therefore absolutely necessary so that the joint effort of the entire nation, and the work of its children sharing the same desire -- both civilians and military -- might not be wasted in merely useless academic or ideological confrontations but, instead, might be focused on attending to the country's reality and needs through creative, fruitful work.

In our permanent quest for consolidating an internal peace which could provide us with the necessary framework to implement the new sectoral plans and those programs which are in keeping with the new Bolivian reality, we have called upon all Bolivians who love their fatherland to join in the common effort and sacrifice to build a better tomorrow and to hold a permanent dialogue over our main problems.

A result of this constructive dialogue held in an essentially pragmatic framework was the lifting of the restrictions that had been imposed on the media. The decision to end both the control over the press and the radio network has again shifted the responsibility of informing the public to the directors of media organizations. We trust their reporting will be accurately and responsibly done.

The financial austerity measures adopted in September are being responsibly implemented. They are designed to reduce unproductive public expenditures and to expedite and stimulate efficiency and productivity in the public sector. We have devoted our best efforts and dedication to expanding and furthering our struggle against the drug traffic which came close to completely eroding our moral values. Similarly, a moralization campaign is being conducted both in the executive and judicial branches, without making exceptions of any kind.

We were able to make government offices function in accordance with sound moral standards and we took major steps toward implementing far-reaching projects such as those in the steel industry; major hydroelectric, irrigation and water supply projects such as (Michicuni), (Icla) and San Jacinto; in addition to roads and railroads which will effectively promote our territorial integration.

Our firm action in those fields, the feasibility of our socioeconomic plans and our final political reorganization were instrumental in overcoming the diplomatic and economic isolation into which Bolivia had been forced for more than a year, for the most part at the request or direct suggestion of unsuccessful politicians who, out of lust for power, did not hesitate in taking actions against the interests of the people they claim to defend or represent. Earlier in this message to the people of Bolivia I said that today, more than ever, we should take interest in the future. With few exceptions, our past governments never projected their actions beyond the next electoral campaign, or contingent situations they had to cope with.

Consequently, instead of moving forward, the country has been going in increasingly smaller circles. There has never been an overall view of long- and medium-term objectives. In some cases, development projects have been adopted which confused or merely did not consider these objectives in an effort to achieve unrealistic growth rates which sooner or later would force us into an acute, profound crisis like the one we are facing today.

Within the framework of the 3-year government plan and sectoral plans, the armed forces government seeks to primarily correct the above deficiencies by acting, not only keeping in mind contingent problems but projecting a far-reaching overall policy which would allow us to look with greater confidence not to the next year but to the tomorrow we will bequeath to our children and generations to come. This is also the historic reply the armed forces has given to all extremist groups -- whether right or left -- which in some cases seek to convert our beloved fatherland into a vast area of reserved raw materials and in others to convert it into a site where they could conduct social experiments to test the validity or weaknesses of their theories.

The actions of the armed forces government are directed at the attainment of the following major objectives: In the foreign sector we will maintain the basic goal of finding a solution for our landlocked situation, by seeking a sovereign outlet to the Pacific without having to make territorial compensations. In the internal sector, it is essential and necessary to achieve, at the end of the plan's term a stable economic equilibrium which permits undertaking sustained social and economic process, within a new model based on the market economy and on the objective realities of our country. For this purpose, appropriate political and social stability stands as a necessary previous condition.

Within the permanent framework of national development which advocates economic, social, physical and political integration of our country, my government proposes the following medium and long-term goals: We shall improve the socioeconomic conditions and standards of living of the Bolivian people; we shall make it possible to bring the economic situation under control and to link the country's regions; we shall carry out the integration of the neglected sectors of the population, especially the peasants, into the development process; we shall expand the domestic market and we shall achieve the self-sufficiency in food for the population from both rural and urban areas; in the 1982-1984 period, we shall try to attain equilibrium, both internal and external, in the national economy. It is essential to achieve a reasonable structure in price stability and the net increase of monetary reserves as well, as a result of an appropriate economic policy applied to the balance of payments.

In view of the economic and financial restrictions which are prevalent at this juncture, the achievement of these objectives will be the result of a dynamic and strategic process of permanent evaluation and corrections whose basic guidelines are the following: We will rationalize the use of financial resources available to us and we will promote smooth foreign financing in keeping with the requirements and objectives of our strategy; we will make the best possible use of installed productive capacity and will carry out an intensive and rational utilization of human and productive resources; we will direct investments preferably toward short-term productive activities and complementary services and facilities; we are giving top priority to productive sectors which generate foreign currency by establishing a realistic monetary exchange policy; we will strengthen the activity of all productive sectors basically those related to agriculture and livestock; we will rationalize the performance of state-owned enterprises and we will dynamize the activities of the private sector.

As for national sectors, in the 1982-1984 period our country's development process will be based mainly on the reactivation of the mining, agricultural and hydrocarbon productive sectors, supported by appropriate parallel policies for industry, the infrastructure and the social sector. In the agricultural sector, we will reorganize and perfect the performance of the institutional mechanisms through the restructuring of the agricultural financing system so as to render efficient services and to attain a rational and timely distribution of technical assistance and credit.

We will review and strengthen research activities and the transfer of technology to adjust them to our development needs. We will implement a rational use and management of our renewable resources by using the appropriate technology, yet safeguarding the environment.

My government will effectively promote industrial productive activities in rural sectors within an urban-rural development framework. We will conduct a profound, detailed study of the whole range of problems related to rural development to update the rural agrarian reform process. Regarding infrastructural facilities, we will carry out programs, projects and activities concerning these facilities, which will be implemented taking into account their connections with productive sectors and financing possibilities.

In the social sector, we will decidely support the expansion of health services in order to extend these services as much as possible to reach neglected urban and rural areas, giving special emphasis to attending to the needs of those helpless groups such as mothers and children and all those persons exposed to risks in their jobs. We will fully review the educational system to ultimately adjust it to our national development needs, especially at the higher education level. We will markedly strengthen the social security system to provide improved, more comprehensive services. It is necessary to expand educational services in all border areas, neglected urban and rural areas and at the same time to hone educational and technical training toward meeting the country's needs and job demands.

Regarding salaries and jobs, it is the armed forces government's basic policy to earmark all available resources for productive activities in order to reduce the number of unemployed, underemployed and those left outside the economy. We will proceed to establish a basic national health system to regulate and plan the implementation of all programs concerning health infrastructural facilities. We will decidely support the implementation of programs for the construction of cheap houses by utilizing all available systems and by enhancing the national financing system for housing and urban development. We will implement specific programs to prevent and to correct malnutrition by providing supplementary food to the most vulnerable groups of society. A structure of salaries in direct proportion to productivity increases will be established.

We will institute a rational and standardized scale of wages and earnings in the public sector. On the regional front, we will adopt a national strategy for development to serve as a guideline for regional corporations in drafting their policies and in implementing their plans, programs and projects in accordance with the nation's general socioeconomic objectives. Regarding integration in the present circumstances, Bolivia's maximum participation should be sought in the integracionist agreements, so as to take more advantage of broader markets offered through duty-free programs and industrialization mechanisms. In the military aspect, we will further consolidate the unity of the nation's tutelar institution and, within the economic limitations imposed by the crisis we are experiencing, we will endeavor to strengthen it, both in quality and quantity so that the highest degree of preparedness can be reached for the maintenance of peace, territorial integrity, the freedom and sovereignty of Bolivia.

The nation's armed forces, as an integral part of the state and the fatherland, will undertake activities to assist other national organizations in the implementation of sectoral plans of economic and social development, especially in rural and border areas. The (Abapoi-Isococ) project -- just to name one -- which is intended to make possible self-sufficiency in wheat supply, will be launched, as well as the automobile industry which will include the installation of smelting plants and complementary industries.

As to the public and private sectors, the fulfillment of the objectives set forth by the 3-year plan requires setting into motion all human and economic resources of the country. Thus, public and private sectors of our economy must fully and decisively participate in the efforts aimed at economic reactivation and development. The public sector which, for historical reasons, has had to take a hand in productive activities, will maintain its control over strategic economic areas, which are those sectors of productive activity that are related to national security, to state control over nonrenewable resources and to the creation of basic services and facilities.

To be even more precise the strategic area encompasses those productive activities which are carried out by state-owned enterprises in the following fields of activity: mining by COMIBOL [Mining Corporation of Bolivia]; hydrocarbons by Bolivian Government Oil Deposits; metallurgy by ENAF [National Smelting Enterprise]; energy by ENDE [National Energy Enterprise]; iron and steel industry by SIDERSA [Bolivian Iron and Steel Enterprise]; communications by ENTEL [National Telecommunications Enterprise]; railroads by ENFE [National Railways Enterprise]; and those activities related to the development of border areas; the exploitation of radioactive minerals, military industries and transportation services and facilities.

In all the above-mentioned enterprises and activities the state, seeking to reach acceptable levels of effectiveness and efficiency, will be empowered to arrange, with the private sector, different administrative frameworks and new legal and economic formulas capable of protecting the nation's ownership of its natural resources while complying with development objectives. At the same time we will seek to attain, as soon as possible, the efficient and profitable operation of the public enterprises which are currently showing deficits, by consolidating, transfering or liquidating them. Within the broad scope of the remaining activities, both public and private sectors will compete on an equal footing. However, the expansion of the public sector will be restricted to those cases which the private sector will be unable or unwilling to take care of.

In view of the above circumstances, each and every phase of the 3-year plan of the armed forces government will be executed following the outlined timetable. In executing this plan we will act calmly and we will remain open to any dialogue capable of leading to the improvement of this plan. We will act in keeping with the law bearing in mind, however, that while granting rights, the law also sets forth duties. We will be inflexible when enforcing the law, especially in the cases of demagogic or extremist actions aimed at hampering the fulfillment of our duties, because the majority's right to follow the path of peace and sustained development takes precedence over the interests or activities of groups or individuals.

Bolivians, let us look forward into the future with optimism. It is true that we must still endure difficult times before we can overcome the economic and financial crisis which we have inherited, however, not everything is bleak. We have a country endowed with enormous wealth which awaits the efforts of man, society and the state to supply us with the economic and social well-being which we all rightfully desire. History teaches us that only the peoples who actively engage in working for the improvement of their own fate, reach happiness and total fulfillment. The Bolivian man, whether military or civilian, is supplied with all the elements necessary for turning his current poverty and backwardness into a future of dignity and abundance. However, this future will come true mainly through unity, domestic peace, fraternal coexistence and joint efforts aimed at the attainment of specific objectives which, free from factional or personal lusts, must be designed to provide common well-being, and the overall progress and development of the nation. Thus, while wishing utmost prosperity and happiness to all the inhabitants of our beloved Bolivia, I urge them to close ranks for the great crusade of honesty, toil and dignity which could allow us to achieve, in time and space, the place which we, as a free, independent and sovereign nation, deserve and are entitled to.

POLICE RAID HOME OF U.S. CITIZEN IN LA PAZ

PY021807 Buenos Aires LATIN in Spanish 1551 GMT 2 Jan 82

[Text] La Paz, 2 Jan (LATIN-REUTERS) -- Presumed security agents forced their way into the home of a U.S. citizen early yesterday morning and arrested 34 persons, the person herself told this agency today. Lee Romero de Rea, an official of the Bolivian Episcopal Conference and of the UN Refugee Office, said that a social party was being held at her house celebrating New Year's at the time of the raid.

She added that the security agents entered violently carrying handguns and detained 34 persons, including some U.S. citizens.

The incident was reported to the U.S. Embassy here and to the church hierarchy in the person of Nuncio Alfio Rapisarda, she said. The minister secretary of press and information of the presidency, Jaime Humerez, told REUTERS that his office has no official knowledge of this event, and that in any case the matter was the direct responsibility of the Interior Ministry. A U.S. diplomatic source confirmed that the embassy had been informed of the incident and that the U.S. consul had made the appropriate inquiries to the La Paz authorities and had informed his government. We cannot give further details until these diplomatic requirements have been completed, the source said. Mrs Romero de Rea said that the alleged security agents had taken various objects of value from her home, which is located in Calacoto neighborhood in southeast La Paz.

More on Arrests

PY032242 Paris AFP in Spanish 1845 GMT 2 Jan 82

[Text] La Paz, 2 Jan (AFP) -- It was reported here today that at 0300 on 1 January Bolivian security agents detained 34 persons who attended a New Year's party in the house of Lee Romero de Rea, an employee of the UN High Commission for Refugees, and a member of important church organizations. Interior Ministry Under Secretary Gerardo Torres stated, however, that it was a subversive meeting of the Movement of the Revolutionary Left [MIR], under a party cover up, because weapons, ammunition and antigovernment pamphlets were seized on the occasion.

According to unconfirmed reports, present at the social gathering were also some U.S. citizens, four daughters of Bolivian military officers, and the wife of a high-ranking official of the government headed by Gen Celso Torrelio Villa. The detentions, which caused deep concern among U.S. Embassy officials, the church hierarchy and among UN officials, were accompanied, reportedly, by acts of violence and the seizure of jewels, books and important documents regarding political refugees.

Under Secretary Torres denied these extreme acts, however, and indicated that 24 persons were already set free and that the remaining 10 are still testifying. It was indicated that this was the first political incident in this new year. The party was held because the military regime lifted the curfew which is usually in effect between 0100 and 0500 in the morning, to allow the people to celebrate, on that day, the arrival of 1982.

SOVIET EXPERTS ARRIVE TO SOLVE POLLUTION PROBLEM

PA032335 Madrid EFE in Spanish 2330 GMT 2 Jan 82

[By Francisco Roque Bacarreza]

[Text] La Paz, 2 Jan (EFE) -- The Soviet Union, afraid to see its largest mining project in Latin America fail, has sent a group of experts to Bolivia to seek a solution to the pollution problem caused by silver and lead wastes from a refinery under construction. The "La Palca" volatilization plant is in Potosi department in the country's southwest. Thousands of peasants whose crops were affected by the polluted water coming from the refinery have repeatedly protested.

A Soviet diplomat told EFE that the prestige of the mining technology of his country is at stake in La Palca. Under orders from Moscow, a group of experts arrived in La Paz this weekend to face the problem. Since the establishment of diplomatic relations with Moscow in 1971, the Soviets have devoted their best efforts in Bolivia to displacing Western mining technology. Within this area, the Russians supplied credits and machinery to the miners.

To gain greater prestige and after having made laboratory tests, they proposed the introduction of a new technology for the use of low-grade mineral which will help strengthen the Bolivian economy. The project was attractive to the Bolivians who have traditionally exploited ores with a high metal content, discarding low-grade ores which with time, became potential reserves. While this plan was attractive to the Bolivians, for the Soviets it was an opportunity to participate in Bolivian mining and a good showplace for Russian technology.

The technological stumble caused by the contamination of the water used at the La Palca refinery immediately worried the authorities in Moscow who ordered an "immediate counter-offensive."

The La Palca plant, which had problems from the start -- miscalculations resulted in landslides which affected the plan -- will cost Bolivia $70 million. The La Paz media criticized the Russians for experimenting with their technology in Bolivia without being sure of its success. The media also commented on the high cost of the project.

NAVY, AIR FORCE COMMANDER APPOINTMENTS CONFIRMED

PY312007 Buenos Aires TELAM in Spanish 1410 GMT 31 Dec 81

[Text] La Paz, 31 Dec (TELAM) -- According to the general order of assignments of the armed forces which has been made known in this city, Air Force General Commander Gen Natalio Morales Mosquera and Navy General Commander Vice Adm Oscar Pammo Rodriguez have been confirmed in their positions. Gen Natalio Morales Mosquera has been the commander in chief of the air force since September 1981 and he is one of the supporters of the improvement of the air force through the modernization of its aircraft. Morales Mosquera replaced Gen Waldo Bernal Pereira as air force commander in chief. Bolivian Navy Commander in Chief Vice Adm Oscar Pammo Rodriguez took charge in August 1981, when he replaced Vice Adm Ramiro Terrazas. Vice Adm Oscar Pammo Rodriguez was one of the sponsors of the name change from Bolivian Naval Force to Bolivian Navy recently approved by the government.

TORRELIO VILLA NAMED ARMED FORCES COMMANDER

PY012258 Paris AFP in Spanish 1535 GMT 1 Jan 82

[Text] La Paz, 1 Jan (AFP) -- President Gen Celso Torrelio Villa has taken over as commander in chief of the Bolivian Armed Forces in the course of a simple ceremony held at the Miraflores general headquarters. This position was abolished immediately after the 17 July 1980 coup d'etat and replaced by a military junta made up by the commanders in chief of the army, the air force and the navy. The post of army commander in chief, which Torrelio held until yesterday, has been taken over by Gen Angel Mariscal who prior to that had been the chief of staff. At the same time, the former commander of the army 7th Division headquartered in Cochabamba, central Bolivia, was appointed chief of staff of the army.

General [Guido] Vildoso's appointment as chief of staff of the army has confirmed the fact that the hardliners of the armed forces -- that is the sector which participated in the ouster of interim constitutional President Lidia Gueiler Tejada in July 1980 -- have retained control of key armed forces positions. However, the analysts believe that President Torrelio Villa is trying to balance off the various forces within the armed forces since the most important promotions to general's rank have been granted to outstanding military officers of the proinstitutional sector who seem to be favorably inclined toward an almost immediate democratic opening. The chief of state himself said in his year-end message aired yesterday that the country will return to total democratic normalcy in 1984. It has also been pointed out that Air Force Commander in Chief Gen Natalio Morales and Navy Commander in Chief Vice Adm Oscar Pammo were confirmed during the ceremony held at Miraflores general headquarters.

INDUSTRY GROUP CITES FOREIGN CURRENCY PROBLEMS

PY311755 Paris AFP in Spanish 1435 GMT 30 Dec 81

[Text] La Paz, 30 Dec (AFP) -- The National Chamber of Industries reported here today that the lack of foreign currency in Bolivia is causing progressive unemployment in various labor sectors. The chamber's directors said that Bolivian industry depends, to a great extent, on foreign raw materials, imputs and machinery, which cannot be acquired because of the foreign currency control existing in the country. They pointed out that, moreover, this situation is bringing forth an accelerated fallback in the pace of production and, consequently, an understocking of primary articles of massive consumption.

In this regard, the National Press Association (ANP) -- an organization made up of the owners of the country's main newspapers -- has expressed its concern at the almost complete absence of newsprint, ink, film, printing plates and other indispensable inputs. The government has reported that Bolivia's Central Bank is saving the scarce amount of foreign currency existing in the country to the best of its abilities, in order to pay $400 million on amortizations and interest on the foreign debt until mid-January 1982.

FLOATING CURRENCY SYSTEM TO BE ADOPTED

PY312316 Paris AFP in Spanish 1506 GMT 31 Dec 81

[Text] La Paz, 31 Dec (AFP) -- Bolivian Central Bank Chairman Guido Salinas Vasquez reported here today that Bolivia will adopt the floating currency system since it is impossible to adopt a fixed rate. He explained that the enforcement of a fixed exchange rate would involve the continuous change of such a rate, making impossible the abolition of the parallel market and the resulting speculation in the dollar operations.

He reported that Bolivian income will amount to $1 billion in 1982 and that $400 million will be earmarked for payments on the foreign debt. He also revealed that the IMF has tied a $260 million loan to abolition of the present currency exchange control. This will be implemented through the above-mentioned floating system. He said that 500-Bolivian peso bills will be issued in the near future ($20 per bill under the official rate). He said that the Central Bank net reserves amount to only $1,027,000.

PINOCHET ANSWERS CRITICS IN NEW YEAR'S SPEECH

PY311727 Santiago Chile Diplomatic Information Service in Spanish 1440 GMT 31 Dec 81

[Yearend address to the nation by President Augusto Pinochet delivered from Santiago on National Radio and Television Network on 30 December 1981]

[Text] Fellow Chileans: As in other years I am addressing you on a date that marks the end of one year and the beginning of a new one. This is the proper time to reflect on what has been achieved in 1981 and to explain the government's position regarding those issues that concern all Chileans. At this time, however, I have centered my thoughts on an issue that has been widely discussed in the last few months: the national economic situation in view of the present world recession. Since mid-year we have been experiencing the impact of the present world recession. As I have said several times we could not have been exempted from this situation. Consequently, during 1981 we have experienced a decrease in our exports that totals about $1 billion. Moreover, the high interest rates in the international market have caused a hike in domestic interest rates.

In view of this situation and in the same manner with which we have faced extraordinary circumstances in other government activities, I ordered the pertinent officials to carry out an extensive study on the prevailing situation so that on these bases we would be able to decide the proper path to be followed and make the necessary adjustments. This extensive study, which is already completed, categorically reasserts the correctness of the enforced economic measures and the need to adjust these measures to the present economic situation. Some of these adjustments are:

--A decrease in the credit terms for imports by establishing similar credit conditions for both the import and export sectors and transferring the excess credit to other national production sectors.

--The enforcement of guidelines to carry out investigations on subsidies granted by certain countries to their exports and the appointment of the Central Bank as the competent national body to carry out these investigations. This measure is already in effect since the Central Bank is already investigating certain charges made in this regard.

--Extension of credit deadlines in foreign currency to exporters.

--The renegotiations of credits to be granted on case by case and sound bases by the National Bank to farmers, etc.

We will, therefore, undertake a new stage in this regard. The government will use all its moral and political strength to achieve these goals. In view of this I want to be quite clear tonight about the essential areas comprised in these adjustments. I want to note that there will be no changes in the established fixed exchange rate policy. There is nothing to justify a change in an area that is so important to all national economic activities and which will affect the majority of Chileans.

I would also like to note that the government will not yield to any inflation pressures that sometimes arise under the attractive but deceiving measures of granting subsidies to certain production sectors, modifying enforced tariffs, granting bonuses to exports or establishing an artificial readjustment in interest rates. Any of these measures, which some so strongly recommended, might result in temporary benefits for certain economic sectors but to the indirect detriment of the rest of the Chilean people and, after a short while, these benefits will be not only short-lived but negative.

The Chilean people know by experience what kind of a scourge inflation is, that it not only undermines the economy but also delays progress and that it hits most heavily and more extensively precisely those sectors having the lowest income.

To relinquish our gains over inflation, no matter how important or urgent the objectives claimed might be, would be to betray the confidence the people have given to the government and this government will never betray that confidence. I am aware that the economic adjustment we must make will entail coping with big problems which may present difficulties to some businessmen. Yet the background information the government has thoroughly analyzed is instrumental in denying every alarmist prediction of an alleged crisis in our economy. This theory is not in keeping with reality.

It is true that some businessmen are experiencing or will have to experience a reduction in their profits and, in some cases, even larger losses. Yet I want to emphatically state that the situation is far from allowing anyone to depict a widespread trend in this direction, a prediction which in most cases is being made by those affected themselves. It is very difficult for those sectors to make an objective, general evaluation of solutions which are in the best national interests. There are some who again referred to the social cost factor to question the path of adjustment we have chosen. I want to tell them tonight once again that all the other proposed or suggested alternatives will only result in short-lived, ostensible solutions which would soon result in heavier, more severe effects for all Chileans -- especially for the poor sectors.

Furthermore, the people should have assurances that in the face of any contingent problem that might arise the government will be able to directly and effectively implement social programs which would permit the effective, swift elimination of such situations based on the advantage of having a healthy economy as the best guarantee. Likewise, to those who have bitterly criticized the path of adjustment I have described by invoking its political cost I want to reply tonight, based on the experience of this government, that the Chilean people have the right intuition in continuing to give their confidence to a ruler who tells them the whole truth and who has the courage not to hesitate in the face of adverse situations and who has thus kept Chile on the course which is in its best interests. Furthermore, the people can rest assured that the government is backed by the unshakeable unity of the armed and security forces around their commanders and no siren song, regardless of its source, will erode this basic pillar of the present regime.

Today I want t call upon all those workers -- who are in one way or another agents of the productive process -- especially those who claim to support this government to join efforts to move on the set course and to realistically and promptly adopt those decisions recommended in view of the current economic recession. Thus the effects of this adjustment will be lighter and shorter.

I also want to address, with full confidence, the Chilean woman. She, better than anyone else, can appreciate the progress we have made in recent years which made it possible for many families to acquire houses and other benefits which, in addition to promoting well-being in homes, has contributed to strengthening families. The government is defending those gains today by projecting into the future a healthy economy which would be instrumental in maintaining the workers' purchasing power, which in the past had been deteriorated by an inflation which the people were feeling in practice but which the demagogic government attempted to conceal. Inflation was just decreasing, or else reducing the purchasing power of salaries and wages, while allowing businessmen and owners of goods to adjust their prices, that is, to avoid loses. The government does not want to reestablish that injustice.

Chilean men and women: On 11 March this year the new constitution was enacted and we solemnly pledged allegiance to it and assumed the commitment to guide the country toward a better future. Therefore, I can say to you that the juridical and democratic spirit of the current government will not be changed but I would also like to point out that to reach optimum results it is necessary to continue maintaining vigorous activity against those who insist on challenging it. I am also telling you that a struggle without truce or concession against any outbreak of terrorism will continue to be carried out until it is finally crushed.

I would also like to make very clear that the political path we have chosen, the current economic model and the social modernizations put in force are an inseparable unity aimed at strengthening and consolidating a free society in which every person will be able to effectively decide his own destiny within the framework of a limited role for the state, not a centralizing or an encompassing role. A special and dynamic impulse will be given in that direction during 1982.

Countrymen: At this time when temporary economic difficulties, which are again testing our will, are blending with a promising future of spiritual and material progress which is gradually opening to us with greater possibilities, the people can rest assured that we will act with the same energy as when we received the chaotic Marxist heritage in 1973, the year of liberation. Let us recall that in 1974 we had to confront a stifling foreign debt situation when creditors tried to impose on us unacceptable political conditions we emphatically rejected.

We than had to confront with energy the serious 1975 world economic crisis created by the oil price increase and aggravated for us by the reduction of copper prices. We, however, came out ahead. How can we forget the determination with which we endured for several years the serious international threats when the Soviet aggressor and its satellites incited so many democratic governments against us by stimulating a hostility which was the product of false information and dirty propaganda against our country? We endured all this not counting the tests we had to overcome to maintain peace without surrendering our sovereignty or accepting impositions based on force.

In 1980 we accepted the challenge to give Chile a juridical direction which is taking us to a new democracy capable of defending itself against Marxism through a constitution approved in a plebiscite by an overwhelming majority. With the same spirit of so many victories, I call upon Chileans today to have faith in the future to overcome the economic difficulties which are currently affecting us due to foreign and unfortunate circumstances. We will recover our pace of progress which will be even stronger than ever with the help of God Almighty who has always protected Chile and with the vigor of a people who during these years have written a chapter which is equal to the best chapters in the history of Chile. As my final words, I ask that each countryman receive tonight the affectionate greetings of the president and by best wishes for every Chilean family during 1982. Long live Chile.

LABOR LEADERS RELEASED ON PROBATION 31 DEC

PY311900 Santiago Chile Domestic Service in Spanish 1630 GMT 31 Dec 81

[Text] Manuel Bustos (Huerta) and Alamiro Guzman (Ordenes), leaders of the so-called National Coordinating Group, were released today on probation following a judgment passed by the Santiago 8th Court of Appeals. Bustos and Guzman were tried by Judge (Sergio Valenzuela Patino) for arrogating to themselves the status of union representatives. THey had tried on several occasions to obtain their release on probation but the judge had denied it to them because the proceedings had not been completed.

BRIEFS

MILITARY SCHOOL DIRECTOR -- Col Oscar Vargas Guzman was sworn in as director of the military school replacing (Col Hugo Salas Venzel), who was appointed military attache to the Chilean Embassy in Argentina. [Santiago Chile Domestic Service in Spanish 1630 GMT 31 Dec 81 PY]

ARMY DESIGNATION -- On 6 January 1982, Brig Gen Fernando Arancibia will be sworn in as commander of the 4th Army Division and as Valdivia's military governor. [Santiago Chile Domestic Service in Spanish 1630 GMT 31 Dec 81 PY]

NEW VICE FOREIGN MINISTER -- Lt Gen Sergio Covarrubias has been designated vice minister of foreign relations replacing Brig Gen Fernando Arancibia who has been designated commander of the 4th Army Division. [Santiago Chile Domestic Service in Spanish 1000 GMT 31 Dec 81 PY]

PEREZ DE CUELLAR: POLAND EVENTS 'INTERNAL PROBLEM'

PY311447 Tacna Radio Tacna in Spanish 1200 GMT 31 Dec 81

[Excerpt] Javier Perez de Cuellar, UN secretary general-elect, before leaving for New York yesterday to assume his new post, said he is confident that during 1982 -- with the cooperation of all nations -- the great political problems affecting the world will be solved. Regarding the Third World, Perez de Cuellar predicted that it will continue to struggle to reach its objectives. He expressed his desire that better conditions for the countries of the Third World be achieved through the North-South dialogue. He added that prosperity should prevail. These are identical words [words indistinct] one cannot survive without the other.

The UN secretary general-elect said he will pay more attention to political and cooperation problems when he assumes his new position in January. Regarding the crisis affecting Poland, Perez de Cuellar said it is not appropriate to make a statement because it still is an internal problem.

AIR FORCE AWARDS PRESIDENT GOLDEN WING HONOR

PY301110 Lima EL COMERCIO in Spanish 17 Dec 81 p A 4

[Excerpts] The Peruvian Air Force [FAP] yesterday awarded President Fernando Belaunde the "golden wing" in recognition for his continuing support for that military institution. Aeronautics Minister Jose Garcia Calderon emphasized the president's constant concern over anything that is related to the development and progress of our air force. President Belaunde also expressed his gratitude for FAP's gesture, and stated that it is an honor for him to receive the glorious badge with which Jorge Chavez and the hero Jose Abelardo Guinonez sacrificed themselves: "I really have to feel honored with a privilege of this nature," the president stated. He also reiterated his total confidence in the effectiveness of the air force, in its power and logistical capacity.

LIMA FIAT OFFICE BOMBED BY TERRORIST GROUP

PY311526 Buenos Aires TELAM in Spanish 1710 GMT 30 Dec 81

[Text] Lima, 30 Dec (TELAM) -- Six Molotov cocktails which were presumably hurled by terrorists set fire at the offices of the Italian automotive enterprise Fiat, police have reported. The attackers hurled incendiary bombs at the second floor after shattering the windowpanes. The fire was put out in an hour and the losses are estimated at $30,000.

Since that attack was perpretrated on the upper part of the building where the offices are located, it did not affect the rest of the facilities designed for the repair of vehicles, where several fuel pumps are located. A 30-day strike was solved a month ago at the enterprise.

FOREIGN INMATES FAST OVER JAIL CONDITIONS

PY311420 Buenos Aires LATIN in Spanish 2025 GMT 30 Dec 81

[Excerpt] Lima, 30 Dec (LATIN-REUTER) -- More than 20 foreigners jailed in Peru today went on hunger strike to demand their freedom or transfer to their respective countries, Justice Ministry officials have reported. In a letter to Justice Minister Enrique Elias Laroza, the prisoners said they are ready to commit suicide en masse rather than continue to live in what they described as hell in Lima's Luringancho prison.

As of 25 December we will stop eating until our demands are met or we die, they said. Among the prisoners are 15 U.S. citizens, 5 Canadians and 2 Frenchmen, most of whom have been waiting -- some of them for 3 years -- to stand trial on drug-related charges.

EL SALVADOR

JUNTA'S MORALES EHRLICH SEEKS SPAIN'S SUPPORT

PA061850 Madrid EFE in Spanish 1003 GMT 5 Dec 81

[Text] Madrid, 5 Dec (EFE) -- Jose Antonio Morales Ehrlich, member of the Salvadoran Government junta and the man in charge of his country's agrarian reform, arrived in Madrid from Rome this morning; Morales Ehrlich said that he will stay in Spain 3 days on a private visit. He told EFE that his visit to Madrid is part of a tour through several European countries.

The principal objectives of the tour through Europe are, according to Morales, "to explain to the different governments and political parties the real situation in El Salvador and the progress made in the democratic process in order to obtain moral, political and economic backing to attain the pacification and an authentic democracy in the country." He added that another purpose of this trip is to ask the governments of the countries he visits to send observers to monitor the electoral climate in El Salvador.

Regarding the agrarian reform process in his country, of which he is in charge, Morales Ehrlich said that it consists basically in "obtaining a change in the land ownership which will permit the development of social, political and economic progress to achieve a better organization and to raise the living standard of the peasants." Finally, he emphasized that he is not making this trip to defend himself but to explain the actions of the Salvadoran Government junta "so that the world will know the reality of these actions without distortions."

During his visit to Spain, Morales Ehrlich among other things, will meet with Leopoldo Calvo-Sotelo, prime minister of Spain, and visit the Spanish Institute of Agrarian Reform and Development.

ABDUL GUTIERREZ INTERVIEW ON CURRENT SITUATION

PA030400 San Salvador EL SALVADOR NEWS GAZETTE in English 20-31 Dec 81 pp 1, 2, 4

[Excerpts] Col Jaime Abdul Gutierrez granted an exclusive interview to the NEWS GAZETTE and answered questions on the military and political situation of the country. We excerpt from the interview as follows:

NEWS GAZETTE: The junta has been a government that has followed a special line, a certain road. That is to say, it has been an ideological government. It has not been neutral in the political and economic aspects. What is your position?

Gutierrez: My position was designed on 15 October 1979 when the armed forces proclamation was published. All the changes that we saw as needed in the economic and social fields were announced there and, of course, we outlined the procedure for the democratization of the country that would lead to free elections. We also spoke of the need to stop violence, to put a halt to corruption, and we have moved forward efficiently in all those areas.

Question: Nevertheless, Colonel Gutierrez, there is a caretaker kind of revolutionary government that only maintains order and calls for elections. Your government has been one that had a plan, then, when you talk about holding free elections for the people to decide. The fact is that the decision on the path the government would follow had already been taken. Therefore, and so that it will be understood by all Salvadorans once and for all, this is a truly revolutionary government that had the objective of changing the structure of the nation.

Answer: Yes. Definitely, that is what I wanted to say before. We have proven it and shown that the armed forces proclamation was not mere words; it is a reality. We have done all that we promised to do despite the leftists who have done everything possible to sabotage our project.

So we are definitely going along that road and we are determined to continue in that direction.

Question: Then, you are a revolutionary?

Answer: Yes, I am a revolutionary.

Question: Can you define yourself as a revolutionary?

Answer: Yes. A revolutionary is one who canges the traditional pattern of social development of a nation.

Of course, we have not been able to go very far in the cultural aspect because of the pressure to which we have been subjected. but we have plans for that. Plans to revolutionize from the highest level of government to the municipalities. We have some projects that we were unable to carry out because of lack of resources.

A new kind of government can be created, one that has a real opposition. That is what has been lacking. What the country really has lacked is alternability [as published] in power between one party and another. There are many new parties but I think that some of them will disappear. This is logical. But I think that if we guarantee free elections, little by little the different tendencies will merge and that a balance will be achieved. That is what we seek; to reconcile all the positions and all the tendencies in the country.

Question: How do you see the government after the elections:

Answer: Whatever government emerges from the elections will not be much different than the present government. Why do I believe that? Precisely because this is not a local problem. It is an international problem and the international factor will be weighing in the decisions of the new government. It is not just a military problem. It is also a social problem.

The political parties that today are naturally critical of the government will not lose sight of what we have seen when they are responsible for government. So I do not believe that the regressive forces will win nor that there will be a reversal and revoking of what we have done up to now.

I do not think that they can do away with the agricultural reform. I do not think that they will do it because such a step would mean the destruction of the country.

Question: But what would be the position of the armed forces if such a thing were to happen?

Answer: As I said; we are definitely willing to allow free elections and to respect the will of the people. That is what we think. What I said before should answer your question. What I am saying is that whoever takes power in this country, whatever party is elected, will have to face the same problems we have faced.

No government will be able to ignore the military problem, the international problems and the social problems. Therefore, the military don't have any cause for concern regarding what party may win the elections.

The Truth About the Military Situation

"There is much confusion about the truth of the military situation here. This confusion arises because some observers and the international press believe that there is a stalemate. I can tell you that from January 10, 1981, when the army was taken unaware by the so-called final offensive, we have been restructuring the armed forces to take the initiative and to increase our offensive operations.

"The army is busy not only in carrying out offensives, but also in guarding bridges, factories, farms, cotton and cane plantations, and we are also guarding the cities and guaranteeing order throughout the country and this naturally requires a large number of our troops. This is our chief weakness and that is why the conflict has been dragged out too long in the opinion of some.

"I do not think that it is like that. We have been withstanding an offensive for 9 or 10 months, almost for a year and I don't think that a situation like that can be cleared up in a short time. But I do believe that we are approaching the day when we will have pacified the country.

"Militarily, we are in good shape. We are always taking the initiative. We are here today and there tomorrow, carrying out offensive action simultaneously in different departments. It has been hard for us to deploy troops in all the places we have cleaned out and to pacify all the areas because there are always other places that demand offensive action. That is part of our vulnerability that I spoke of. But we are definitely going to overcome this problem this year."

The Conflict Is Localized and Is Only a Matter of Time

"The military problems are limited to certain areas of the country. Some months ago, Chalatenango was the center. But it has greatly diminished there. Cabanas was also a trouble spot. But things are much better today. Another difficult area is Guazapa and Suchitoto. There is still some guerrilla activity there. But we hold the strategic center.

"What the people cannot understand is that just on the Cerro of Guazapa, [placename as published] there were 47 guerrilla camps. We destroyed the 47 camps but now and then the guerrillas show up in areas that we had already cleaned out. The area is very extensive and people believe th at because there is an attack at one point along a road, that this means that the subversives dominate the area. Attacking one point on a highway is easy because nobody knows where the attacks will take place or when. But by no stretch of the imagination can it be interpreted as holding an area. Ambushes are typical of this kind of war. You only need two men to carry out an ambush. We cannot guard every point on every road in the country.

"Morazan has also been a trouble area, so we have carried out a large number of operations there recently. The western section of the country is quiet, as you know, with the exception of Guazapa and Aguilares.

"Terrorism and subversion have increased but not in the form of military action. Basically, our forces are intact, with high morale and I see no problem. It is only a matter of time and time we have. We definitely believe that in a short time, we will have most of the action under control."

The Subversion Will Keep Fighting

"There will still be subversive forces, but they will not be significant. To believe that the subversion will leave the country is not to think straight. The subversives try to take over this country and they will do everything they can. Therefore, from now on, the battle will be permanent.

"We will have to keep on fighting not only in the military area but also in other fields; international, political and economic.

"The economic field is where the people will be most affected because in order to maintain tranquillity and to keep the economic machinery moving, we have to take certain measures that affect the laboring classes, but they were taken precisely to save the working class even if they suffer."

Colonel Gutierrez Describes the Guerrilla

"The truth is that nobody dreamed that the subversion had penetrated the entire social structure and was ready to take power.

"Everyone thought of the guerrilla [warfare] when speaking of subversion. But they had divided the country into zones and they were organized not only for military operations but for propaganda, logistics, recruiting. We have destroyed their organization throughout the country. It has been a big fight and we have moved slowly."

Operation and Organization of the Guerrilla

"They are organized in specific areas. They have their camps, but that does not mean that they stay in them. They have warehouses, clinics, training camps, bomb factories and we have found them. We have seen how they take over small settlements and force the population to flee and then they become the inhabitants. They take over the land and property.

"Although they have camps, fortifications, observations points, one must not only think of those. It is a defensive organization and if we attack one point they can move to another. Besides, they have developed good intelligence and they know when a unit is on the move and have the capacity of leaving a small holding force behind and moving on to other camps that have been kept in readiness. This is the reality."

"Where do they get their arms, supplies and ammunition? From Nicaragua, of course, across the Gulf of Fonseca by airdrop and by violating the territory of Honduras. Before the peace treaty with Honduras was signed, we could not patrol the unoccupied zones which were sanctuaries for the subversives. That is why they scream through their propaganda machine saying we have invaded Honduras, because they don't want us to even approach the border where they have their sanctuaries on the other side. I am speaking of the zone of La Virtud and others in Honduras."

The Situation Has Improved Since 1979

"The situation has definitely gone from minus zero [as published] to something on the plus side. The situation before October 1979 was quite different. The left then had the capacity of mobilizing masses within the country. They had taken over almost all the labor and trade organizations. The unions had been infiltrated by the left and were continuing carrying out illegal strikes. They took hostages at will and they had the power to bankrupt factories. The campesinos were very insecure. They were disenchanted with the system. They had lost all hope of ever getting out of their marginal existence. Now they had hopes.

"If we look at the picture, I don't say that all is well, but there definitely have been no student strikes this year and things look better. If we look at the church, things are better there too. The same is true of the army where at certain moments we had difficult situations which were surpassed.

"If we look at the political parties, there also has been a change because we are on the way to an electoral process and we have given the parties freedom to organize and to carry out absolutely free elections. This is a change in the position of the armed forces. Now everybody is saying that the armed forces will guarantee the elections. This is a completely new attitude and we have the firm commitment and the determination to carry it out.

"As far as the economy is concerned, what I can say is that there are other Central American countries that have not been subjected to the conflict that we have suffered that are in as bad shape and even worse then we are."

The Situation of the Left Since 1979

"In 1979, the left had the ability, as I said, to mobilize the masses, to take over factories, public buildings, ministries, hostages, kidnappings, [as published] hold the civilian population in fear and to control certain border areas that we could not patrol because of the pact of San Jose with Honduras. All that has changed as anyone can see. In that respect, the situation has improved greatly."

Media Accusations of Abuses by the Armed Forces

"The left developed an efficient plan for working with foreign correspondents who came to the country. There is a world-wide campaign supposedly designed to verify action on the spot. But basically, all it does is get the version of the left. Correspondents come here with their minds made up and take part in prepared tours that tell them who they should talk to and where they should go and what they should hear.

"They have the chance of seeing a people fighting to survive. But none of this interests them. They will be taken to refugee camps where persons have been trained to tell tales of horror and abuses. That is how the refugee camps were first organized by the archdiocese. The refugees not only received food and clothing but they were also indoctrinated and taught how to handle weapons. Then we have the famous human rights commission organized by the left and self-appointed. The same goes for the legal aid of the archdiocese. Correspondents were fed horror stories of torture and murder by all of these organizations.

"Even the political prisoners are organized and claim to talk to foreign newsmen who take the pre-established leftwing tours for information that favors the left and discredits the armed forces."

Conflict Between the Private Enterprise Sector and the Junta

"It is inexplicable because the government has given total cooperation to the private enterprise sector. Not only are we financing the agricultural sector but also the industrial sector. I do not think that there is any conflict between private enterprise and the governments. If there is a conflict it is between those who say that they are the spokesmen of private enterprise and the government and I assure you that the government has made every effort it could to maintain good relations with private enterprise.

"The only thing is that politicians who have infiltrated the organizations, the spokesmen of private enterprise, have led this attack, but it has not been private enterprise itself. I think that private enterprise has been very aware of the efforts of the government. We have asked them many times to participate in government by accepting appointments. But they have always refused. But these are strictly personal positions.

"But I am quite certain that this attitude will change after the elections because the elections are going to say what the people want and no group, representative or not, can go against the decision of a people."

FMLN REPORTS AMBUSHES OF REGIME'S FORCES

PA312202 (Clandestine) Radio Venceremos in Spanish to El Salvador 1200 GMT 31 Dec 81

[War bulletin Issued by the FMLN Anastasio Aquino Paracentral Front -- read by announcer]

[Text] 29 December: An FMLN army squad set up ambushes of the enemy dictatorship's forces at 0635 on km 78 of the Pan-American highway in San Vicente department. At 1020, the enemy appeared in a private vehicle. About 12 soldiers dressed in civilian clothes and armed with G-3 rifles were in the vehicle. Our forces, which had already taken up positions, prepared to attack. However, the enemy was able to detect them and fled in confusion. Still, this first attack was effective, for when the enemy thought it had beaten us it confronted our second ambush, about 150 meters from the first. This caught the enemy by surprise and our forces opened automatic rifle fire at the target from a distance of 4 meters. The attack lasted 10 minutes as the enemy vehicle stopped temporarily, after which it escaped from our heroic fighters. Our companeros report that they inflicted eight casualties, both dead and wounded, on the dictatorship's soldiers. At 1035, our forces withdrew in an orderly manner.

FMLN REPORTS POWER, ANTEL FACILITIES SABOTAGE

PA021543 (Clandestine) Radio Venceremos in Spanish to El Salvador 1200 GMT 2 Jan 82

[War bulletin from the FMLN's Modesto Ramirez Central Front -- read by announcer]

[Text] 1. On Monday, 29 December, at 1930 FMLN forces simultaneously carried out the following operations:

A. Sabotage of telephone terminal box of the National Telecommunications Administration [ANTEL] located on Spain Avenue and 15th East Street.
B. Sabotage of ANTEL telephone terminal box located on Boulevard of the Heroes and (Metrosur). This is the control box of (Metrocentro) and (Metrosur).
C. Sabotage of ANTEL telephone terminal box located at San Antonio Abad Street, (El Roble) district.

2. On 30 December at 0530 FMLN forces demolished a 115,000-watt electric tower at the Nejapa-San Antonio Abad line.

United to fight until final victory. Revolution or death. We will win. [Signed] Commander (Alejandro Montenegro). 30 December 1981.

TOP MILITARY OFFICERS PROMOTED TO GENERAL

PA030124 Panama City ACAN in Spanish 2254 GMT 2 Jan 82

[Text] San Salvador, 2 Jan (EFE) -- Colonels Jaime Abdul Gutierrez, Jose Guillermo Garcia and Carlos Eugenio Vides Casanova were promoted to the rank of general of the Salvadoran Army in accordance with the last general order issued in 1981 by the Defense Ministry, a military source said today. Abdul Gutierrez is currently vice president of the government junta and commander in chief of the armed forces. Garcia is defense minister and Vides Casanova is the director general of the National Guard.

At the end of every year the Salvadoran Armed Forces issue a military order which includes promotions, changes and transfers of military officers. So far there have been no reports of any other military promotions, transfers or changes similar to those included in last year's order.

RADIO UNIDAD REPORTEDLY TO RESUME BROADCASTS

PA031919 (Clandestine) Radio Venceremos in Spanish to El Salvador 1400 GMT 3 Jan 82

[Text] We have just received a note from our fraternal companeros of Radio Unidad that has filled us with joy because it represents another step forward in our people's march toward consolidating the areas under their control and in the development of our national liberation war. The companeros of Radio Unidad tell us in their note that beginning on 9 January they will resume their broadcasts on the international 40-meter band, 7 megahertz, every Saturday and Sunday at 1500 hours.

NICARAGUA

FAGOTH REBUTS BORGE; PROMISES FIGHT TO END

PA012233 (Clandestine) Radio 15 September in Spanish to Nicaragua 0300 GMT 1 Jan 82

[Address by Steadman Fagoth Muller, leader of the Misurasata Indian movement, to the people of Nicaragua, in Spanish and Miskito -- live or recorded]

[Excerpts] First of all, I would like to extend cordial greetings to the Nicaraguan people on this traditional holiday.

Following the latest incidents, (?I give) thanks to the architect of nature for being able to deliver this brief address to the people of the land where I was born.

To begin, I would like to ask the Nicaraguan people to observe 1 minute of silence in honor of those who died fighting for the fatherland in 1981; in honor of those who died fulfilling a noble mission for the liberation of our fatherland. I even urge Tomas Borge to observe this minute of silence. [Silence for 1 minute] Thank you.

I would like to [words indistinct] statements to the Nicaraguan people following the latest incidents in several locations and regions in our country. There are many things that I would like to discuss, but due to the lack of time on this, your radio station, we are going to have to leave them for [word indistinct] tomorrow at this same time, for tomorrow, which is, to be exact, the first day of the year in which Nicaragua will be liberated from the hands of those puppets of Fidel Castro.

Nevertheless, I would like to begin commenting on certain incidents. At least I would like to make some clarifications tonight. (?but I also want to stress) that tomorrow at this same time we will be on the air clarifying certain things for the Nicaraguan people and also commenting on several subjects that we believe are of paramount importance today.

In his most recent statement, Tomas Borge said that we were bloodthirsty. To try to confirm this statement he claimed that several persons have disappeared. In view of the incidents at Leimus, I would like to ask Tomas Borge who is the person who is truly bloodthirsty; who is the one who sent [words indistinct] the 35 persons who today are in a mass grave under the (?chilamate) tree at the (Labalsa) crossing in the Indian community of Leimus?

We call on the international organizations to go to that community and to go to the place we are indicating, under the (?chilamate) tree which is at the (Labalsa) crossing in the community of Leimus, Rio Coco. We call on the human rights commission to go there so that the people [words indistinct] tell them who is bloodthirsty; the mangy-dog puppets who are in power today mouthing Marxist philosophy and taking advantage of their military strength to massacre defenseless persons like the [word indistinct] people who were massacred in that manner and buried alive, or we, the true revolutionaries who are all over the national territory struggling against the politico-military future announced by the FSLN, [so as] to liberate our country.

I denounce before the international community who the bloodthirsty persons really are in view of the incidents that took place at the [word indistinct]. Are the bloodthirsty persons those countrymen who are fighting in the mountains, or are they those who are wielding Marxist power in Nicaragua?

Borge also said that it was stupid to have released me from jail. Tomas Borge, I want you to hear this. As far as you were concerned, I would still be behind bars today, but the popular rebellion and the force of the people compelled you to release me from jail.

Let us make one thing clear once and for all; it was stupid to have released me from jail. It was also stupid of Samuel Genieto have let you out of jail. Hear this and hear it well once and for all; if it was stupid of you to have released me from jail, I believe that those who let you out of jail were far more stupid. I beg the Nicaraguan people to forgive me, but it was high time for us to speak to these satraps in their own language.

I think it is time that Tomas Borge permit the international organizations to see what is going on in the area in which he has imposed the state of siege and martial law. (?Why doesn't he tell) the Nicaraguan people that there are approximately 27 Indian communities along (?100 km) of the Rio Coco?

The people who are listening to this radio station can see on maps that from Leimus on the Rio Coco and onward there are more than 35, 34 or 33 communities. The Sandinists currently have a plan to mobilize these people and bring them to [word indistinct] in Waspan. What does this mean? That the people have to abandon their community. This is the plan they have. It is a macabre plan. Why doesn't he mention this macabre plan? Doesn't he realize that by moving these people he will kill them as occurred in the community of Santa Marta?

I think the human rights commission should come so it can see the reality of the situation along the Coco River, particularly the northern zone [words indistinct] on the basis of the reports of the Sandinists.

Regarding the conjecture and the confusing reports, I would like to tell the Nicaraguan people that we are in very good condition, particularly spiritually; our morale is high. I think we are mentally able to continue to fight to the end against Tomas Borge and his henchmen. They are (?usurping) power in Nicaragua. They are making the decision to massacre our defenseless people. I say massacre our defenseless people because we have concrete and clear proof such as in the cases of Leimus: [names indistinct]. The Nicaraguan people should know that last night at 2300, 150 members of the Sandinist army captured 27 brothers [words indistinct] this situation. This is how we see it. Nevertheless, the Marxist racists see all that is Indian or Miskito as cannon fodder. That is why they were captured and we don't know where they are [words indistinct]. However, we know perfectly well what the fate of these people can be and we are already denouncing to the world what can occur to these companeros.

For the rest, I only need to remind you that tomorrow we will officially give our version regarding the latest events in northern Zelaya, particularly [words indistinct] to the Nicaraguan people. Thank you very much.

ATLANTIC COAST CONCENTRATION CAMPS, MASS ARRESTS

PA021814 (Clandestine) Radio 15 September in Spanish to Nicaragua 0300 GMT 2 Jan 82

[Text] We wish to denounce that the frontist regime's repressive apparatus is opening concentration camps in the Atlantic coast under specific instructions from the high-ranking mangy-dog leaders. The FSLN wants to transfer the residents of El Carrizal, Santa Isabel, Asang, (Grasa), San Carlos de Rio Coco to concentration camps.

To this effect, mangy-dog troops landed in the community of Asang on 27 December. The genocidal frontist troops arrived in helicopters, which they plan to use to transfer the local residents to the town of Leimus. We wish to recall that in this same community, Leimus, the FSLN dictatorship massacred 35 people, including women, children and older people. The people of Asang have been gathered for transfer to a mangy-dog concentration camp.

According to entirely reliable sources, the FSLN dictatorship's helicopters have made several additional trips. On the Atlantic coast, the ditatorship is forcing the people to dig trenches. The armed frontist party's despotic dictatorial regime is forcing the people to dig trenches. This compulsive action by the frontist regime is being enforced by the dictatorship's henchmen in the community of [word indistinct] on the Atlantic coast. In addition to forcing the people to carry out the work that the mangy dogs do not dare carry out themselves, the frontist occupation troops have been stealing the people's belongings, such as electronic equipment and other such things.

We denounce to the Free World and to the world communities that [words indistinct] suffering under horrible repression and that its residents have practically become prisoners.

Meanwhile, mass captures are taking place all along our country's Atlantic coast. According to the information received by this station despite the communist censorship, elements of the sinister state security and other respressive organizations at the service of the dictatorship have captured 68 individuals in the city of Waspam. Their whereabouts are unknown. These mass arrests have been taking place in other places as well. In the city of Puerto Cabezas, the repressive apparatus imprisoned 300 people whose whereabouts are also unknown. In the community of Crucira, they arrested 5 other persons, while in the community of (Wapi) they arrested 15 others. This confirms this station's charges that the FSLN dictatorship has concentration camps just like the Russians have in Siberia.

RADIO CITES ARRIVAL OF SOVIET TANKS, PLANES

PA011542 (Clandestine) Radio 15 September in Spanish to Nicaragua 0300 GMT 1 Jan 82

[From "Summary of Most Important National Events During the First 6 Months of 1981"]

[Text] In June, dozens of Soviet T-55 tanks coming from Fidel Castro's red Cuba began to arrive in Nicaragua. They were taken to the Colegio Pedagogico in Diriamba and to other places. The dictatorship began expanding more than a dozen landing strips to prepare them so that the Soviet-made MIG-21 planes that Fidel Castro was sending to Nicaragua could land there.

English-Speaking Mercenaries Reported

PA021802 (Clandestine) Radio 15 September in Spanish to Nicaragua 0300 GMT 2 Jan 82

[Text] According to our war correspondent, the despotic FSLN regime has 50 English-speaking mercenaries in the community of San Carlos de Rio Coco. We suppose that these new Marxist mercenaries hail from communist Grenada and that communist puppet [Grenadian Prime Minister Maurice] Bishop has sent them to the frontist dictatorship. The occupation troops have placed the community of San Carlos under martial law, forcing the local residents to carry out hard labor.

DANIEL ORTEGA READS NEW YEAR'S MESSAGE

PA011322 Managua Domestic Service in Spanish 0205 GMT 1 Jan 82

[New Year message to the Nicaraguan people by the Junta of the Government of National Reconstruction; read by junta coordinator Commander of the Revolution Daniel Ortega Saavedra -- live or recorded]

[Text] We have concluded 1981, a year of defense and production. Throughout its days, weeks and months, the vanguard, people and government learned new and fruitful experiences. The heroic stage of the struggle against the dictatorship repeats itself. In each task, day and mobilization the staunch nerve of our race -- which is that of the oppressed, the exploited and the condemned of the past who were finally liberated in the present -- is being tested.

When the cotton, sugarcane and coffee plantations needed them, our combative people succeeded. We have been fighting and succeeding in the struggle for educational campaigns, health campaigns, the struggle against dengue, malaria and poliomelitis.

The year 1981 was one of greater awareness and organization but it was also a year of great weaknesses (?internally.) We have been learning to discover our failures. It is good to say and repeat it. The first great failure we discovered was that we were trying to solve all problems at once and to eradicate all the misfortunes in a short time. We thought that house could be built quickly. We though that roads could be built everywhere and that health centers could be installed in the most remote places in Nicaragua.

We thought electricity, water, transportation, supplies, communications, financing, agrarian reform and work could be extended to all. With this we nurtured the expectations of those who had been demanding and struggling to satisfy their basic needs. However, we are still facing the reality of a country whose economy is destroyed and in debt. A country with great demands and very few resources. A country which we had to begin to use basing itself mainly on the creative energy of its people in order to achieve anything. Despite everything, the construction of houses, roads, schools and health centers [words indistinct]. Agrarian reform was started in this year and (?investments are being made in) water, electricity, supplies and financing according to the country's possibilities, and also to the extent in which we overcome the bureaucracy and inefficiency of the central administration.

However, these weren't the only failures. We must have to speak of the inefficiency, the lack of discipline and the bad attitude of certain workers in the cities and the rural areas, of some who think, like the exploiters, that the revolution means to work less and poorly in order to gain more, and of some officials who continue to act as in the past, paying poor attention to the people, charging commissions, stealing, swindling and contrabanding. We want to stress that these weaknesses and failures that we have been enduring throughout 2 years and 5 months of the revolution are the main enemy that must be fought.

In 1981, [words indistinct] and that efficiency, discipline and honestry are necessary [words indistinct] activity which stems from the backwardness and misery inherited from the past. By eradicating these failures and weaknesses we will be in better condition to face those who hate this revolution because they hate the poor. We will be in better condition to fight the enemies of this revolution, the enemies of the shoeless, the [word indistinct], the rabble, the dirty, the mobs which in the final offensive agianst the Somozist dictatorship, grabbed rifles, clubs, stones, [words indistinct] in the barricades of the poor neighborhoods of Nicaragua.

In 1981, the people's enemies did not stop attacking us a single day, lying, slandering and sending capital abroad; plotting and sabotaging efforts for national unity; killing teachers, militiamen and border guards; placing bombs in AERONICA planes; sowing terror and struggling to destabilize our revolution:

The enemies of the past -- those who supported Somoza -- and the enemies of the present are happy [words indistinct] a teacher, a brigade workers of the education or health campaign are murdered. The enemies of the present are anxiously awaiting intervention. The enemies of the present are those who cut off the loans, took the wheat away from us, are threatening to blockade us and interfere in our affairs, and are permitting the establishment of new training camps of Somozist counterrevolutionaries in their territory.

However, these enemies came on in 1981; on 19 July, the second anniversary of the victory of the revolution [words indistinct], in October, during the Benjamin Zeledon anti-imperialist campaign, the largest mass organizations of Sandino's people replied with their usual unity to threats and blackmail.

This year was the year of defense and production; 1982 does not demand the same efforts but demands greater efforts in all spheres and areas. The coming year demands more work, efficiency, discipline, austerity, spirit of sacrifice, revolutionary morale and love to people.

In 1981, we continued to make efforts for peace. We took specific steps in the Guasaule meeting with Honduran President Policarpo Paz, in the peace proposal of the Salvadoran patriots which we presented at the United Nations and in the permanent willingness to normalize relations with the United States. Unfortunately, the results have not been the best and the Somozists continue to operate with impunity from Honduran territory, killing Nicaraguan brothers.

The Salvadoran patriots' peace proposal has been disregarded and the struggle increases in that fraternal country and, with it, the threat of intervention. The present U.S. administration has not ceased to voice threats against Nicaragua through its spokesmen and it has even urged the Latin American governments to attack our fatherland.

We will continue to struggle for peace. We will not spare any effort. However, in 1982 we must prepare to face greater aggressions in the military, economic and political spheres. Nothing can be stronger in facing aggression than the unity of workers, peasants, teachers, students, professionals, clergymen, small, medium-sized and large producers, businessmen and industrialists. Nothing could be greater and more forceful than the nation's unity. For this reason, we have decided to call 1982 the year of unity in the face of aggression -- unity in the face of aggression so that we can be allowed to build our country in peace; unity in the face of aggression so that there will be no intervention in Central America; unity in the face of aggression so that the hopes of more than 2 million Nicaraguans will not be shattered by the blood of their best sons; unity in the face of aggression with more discipline, awareness and heart.

1982 TERMED YEAR OF UNITY IN FACING AGGRESSION

PA312304 Managua Radio Sandino in Spanish 0300 GMT 31 Dec 81

[Text] The struggle for peace based on unity is the topic of the new year's message our junta issued to the Nicaraguan people. The junta of the Government of National Reconstruction issued new year message to the Nicaraguan people today. In it the junta stresses its desire to fight for peace based on national unity. The lengthy message gives prominence to the various stages reached and victories achieved by the revolution this year, thanks to the effort of the Nicaraguan people and their support for the government. It points out the dangers that revolution may face in 1982. The year 1981 was the year of defense and production, but 1982 will demand greater efforts in all spheres and areas, the message emphasizes.

During 1981, it adds, we continued to make efforts for peace. We took specific steps, such as the Guasaule meeting with Honduran President Gen Policarpo Paz and the peace proposal we presented at the United Nations advocating a negotiated solution to the Salvadoran conflict. We also expressed our permanent willingness to normalize relations with the United States. Unfortunately the results have not been the best and the Somozists continue to operate with impunity from Honduran territory, killing Nicaraguan brothers.

The message also notes that the Salvadoran patriots' proposals have been disregarded and that the struggle is increasing in that fraternal country and with it the threat of intervention. It adds that the U.S. administration has not ceased to voice threats against Nicaragua through its spokesmen, who have even urged the Latin American governments to attack our fatherland. The message stresses that we will continue to fight for peace. We will not spare any effort. However, in 1982 we must prepare to face greater aggression in the military, economic and political spheres.

In referring to the country's internal situation, it notes that in 1981 the people's enemies did not cease their attacks against us for even a single day, lying, slandering and sending capital abroad; plotting and sabotaging efforts for national unity; killing teachers, militiamen and border guardsmen; placing bombs in AERONICA planes, sowing terror and struggling to destabilize our revolution. The enemies of the past -- those who suppórted Somoza -- and the enemies of the present -- who are anxiously awaiting intervention, took their loans and wheat away from us, threatened to blockade us, interfere in our affairs and permit the establishment of new camps of Somozist counterrevolutionaries in their territories -- still remain. In the face of this, the message stresses, nothing can be stronger than the unity of workers, peasants, teachers, students, professionals, clergymen, small and medium producers, businessmen and industrialists. Nothing could be greater and more forceful than the nation's unity.

For this reason, we have decided to call 1982 the Year of Unity in the Face of Aggression, so that we can build our country in peace. Unity so that there will be no intervention in Central America; unity in the face of aggression so that we can crush it if it is carried out. Unity in the face of aggression, the message emphasizes, so that the hopes of more than 2 million Nicaraguans will not be shattered by the blood of their best sons. Unity in the face of aggression with more discipline, awareness and heart.

This was the message the revolutionary government issued to our people.

SECURITY CHIEF ON U.S. PLANS, INSURGENT ACTIVITY

PA312154 Managua Radio Sandino in Spanish 0300 GMT 31 Dec 81

[Text] The Central American armies, supported logistically by the United States and using the former Somozist guards as spearheads, are to be the alternative the counterrevolution will use against Nicaragua in the next 4 months, the state security chief, Brigade Commander Lenin Cerna, said today. In an exclusive statement to AGENCIA NEUVA NICARAGUA, Commander Cerna analyzed the various alternatives being studied by the enemies of the Nicaraguan revolution in the hope of destabilizing it. He mentioned their methods, their bases of support and their foreign and internal connections.

Commander Cerna believes the United States won't dare invade Nicaragua directly because such an act would be very costly politically. He also said the Central American armies by themselves cannot do so either, because they have too many problems in their own countries. The Somozists, he added, are not capable of maintaining a prolonged clash with our forces by themselves. That is why we believe the alternative will be a combination of these three factors within an as-yet-undefined strategy that will be developed and implemented as they go along, he said.

Commander Cerna harshly criticized Ronald Reagan's government for its support for the counterrevolution. He said: The most important godfathers of counterrevolutionary activity here are ruling one of the most powerful nations on earth -- the United States. However, the state security chief explained that the Somozist groups face a serious problem. They lack coordination among themselves because of their lust for power, because each wants the resources given them by those in the United States and because of their (?scant) popular support. He mentioned that in the countries where these groups are found they are supported by important decisionmaking sectors in the respective governments. When Reagan or Haig make warmongering statements against Nicaragua, this has repercussions in our country. These statements stimulate terrorist activity. Even with the slips and the degree of madness found in the statements made by White House officials, they act as incentives to the counterrevolution that make the reactionaries shout with glee.

In this sense, he said, the growing open support given by the governments of the area to the groups that oppose Nicaragua has served to stimulate terrorist activity, such as the explosion on the AERONICA aircraft in early December, the attacks on the northern and southern borders and the increase in the broadcasts of the Somozist Radio 15 September, which we know is transmitting from Honduras. The Sandinist commander added: We also know that the rightist regimes of the area have been consulted by the United States and have reaffirmed their unanimous decision to participate in a plan against Nicaragua. He also mentioned the alliance -- which grows closer every day as long as there is activity available for them -- of the Cuban exile groups, who are more inclined toward terrorist actions than a direct confrontation after their experience at the Bay of Pigs.

Regarding the ties between the rebel groups and the rightist political parties in Nicaragua, Cerna said that if we rely on LA PRENSA's news, there could be no doubt that these relations do exist. If not, he asked, why do they term the gangs that murder our soldiers and carry off and rape our women as opposition groups? However, he added, the discovery of how deep these ties are is a complex task. The members of the dissident groups know their limits, but they continue to prowl. We know which members of those groups have met with the main counterrevolutionary leaders: Chamorro Rapacciolli, Jose Francisco Cardenal, Fernando Aguero and even Steadman Fagoth. We don't know if they have reached any agreements, but if they step over the limits they will no longer be free.

'REFLECTION MEETING' ISSUES ECONOMY RECOMMENDATIONS

PA310433 Managua LA PRENSA in Spanish 24 Dec 81 p 7

[Economic recommendations issued by organizations participating in the national meeting of reflection and convergence in Managua on 22 December]

[Text] The organizations participating in the national meeting of reflection and convergence have reached the following conclusions and recommendations after discussing the subject of "national planning:"

Whereas Nicaragua is preeminently an agricultural country whose economic and social development is linked to the changes in agriculture through an overall, democratic, anti-oligarchic and anti-imperialist agrarian reform that will resolve the great problems of the peasants and the farmworkers with little or no land; whereas, so that the agrarian reform will be thorough and real, all the assets that are necessary to promote production and productivity must be placed at the service of that agrarian reform; whereas the nationalization of foreign trade has been a great achievement of our revolution since it introduced healthy measures for the rationalization of our exports and the supplies that the country needs; whereas a foreign marketing policy must be structured and strengthened to defend the national producer not only in obtaining better prices but also to guarantee him prices for the domestic production that will save him from the fluctuations of the international market;

Whereas a climate of confidence is necessary so that production and productivity--which are vital factors for our economic development--will be promoted by management and labor; whereas as a result of our revolution the workers have achieved the right to exercise responsible and orderly vigilance and leadership without arbitrariness in the production centers with the objective of increasing productivity and preventing the drain of capital and so that the workers will gradually participate in the management of the economy; whereas one of the reasons, among others, for the disorganization of work in our country and the gradual deterioration of production and the economy is a lack of labor discipline; whereas the national businessman is an important factor of the country's economy so his investment must have confidence and guarantees; whereas in order to overcome underdevelopment, our country needs increasing investments that will be indiscriminately guarangeed;

We have, therefore, decided to recommend to the government and other active sectors of the country the following:

1. That the recently promulgated agrarian reform law first of all and indiscriminately favor the peasants and farmworkers without land or with insufficient land. Besides the ownership of land, forms of organization and production should also be considered, favoring the system of ownership of cooperatives whose organizational model will be that of work partnership and with the state providing technical advice and credits and solving the problems of the infrastructure, supplies and marketing.

2. Besides the assets that the law expropriated, those which belong to the state and which are productive but which the state cannot manage efficiently should be placed at the service of the agrarian reform.

3. The state should take a more active part in the direction and control of trade to and from Nicaragua through the selection of more qualified technical and bureaucratic personnel. This trade should signify more than the diversification of markets. More attention should be given to better prices for our products and to obtaining better conditions for domestic supplies. Therefore we recommend the promotion of industrial development with emphasis on agro-industry. Therefore an economic fund for industrial stockpiling should be created based on a percentage of the product of overall exports, particularly non-traditional ones.

4. The creation of a stabilization fund should be promoted based on the accumulation of the surplus obtained from the prices in the "high peak" periods of the internatinal market.

5. Productivity must not only be viewed from the aspect of profits but also from the benefits to the community where the economic activity takes place. This should be done through incentives, particularly in wages, employment and work training and through the improvement of the existing technology and the replacement of the obsolete technology, making efforts to obtain the most appropriate one for the country's development.

6. There should be promotion in the productive centers of the participation of the workers in their administration through comanagement or codecisions and in the systems of cooperation and other associative forms through self-management.

7. Consistent measures should be adopted so that a lack of discipline and other causes of disorganization will be eliminated in the production centers. These cause the gradual deterioration of production in the work centers and in our economy.

8. All sectors of our economy should be consulted about the economic plan that the government will prepare for 1982 so that it will be the result of the general consensus and so that it will be implemented under the responsibility of the planning office with the participation of each of the sectors of the economy.

9. The government should establish the framework of confidence and guarantees that will permit Nicaraguans to invest with security and to manage their enterprises efficiently.

10. A foreign investments law should be issued and implemented, bearing in mind the national development plans, without discrimination and giving the foreign investors the opportunity to invest with growing confidence in our country.

Managua, 22 December 1981. [signed] Peoples Social Christian Party, Social Democratic Party, Independent Liberal Party, Social Christian Party, Nicaraguan Workers Federation, Confederation for Trade Union Unity.

FDN CONDEMNS 'GENOCIDE' BY FSLN TROOPS

PA032230 (Clandestine) Radio 15 September in Spanish to Nicaragua 0300 GMT 3 Jan 82

[Communique No 1 to the Nicaraguan people and the free peoples of the world by the Nicaraguan Democratic Forces, dated 2 January 1982 "Somewhere in Nicaragua"]

[Text] The Nicaraguan Democratic Forces, FDN, is a political-military organization made up of the 15 September Legion, the Nicaraguan Democratic Union, UDN, and Misurasta [Miskito, Sumo, Rama Sandinist Unity], an Indian organization.

It denounces to the heroic people of Nicaragua and the international public the brutal genocide against Nicaraguan brothers of the Atlantic coast who were in refugee camps in Honduras where they had fled the indiscriminate bombing that our people are suffering.

We have been denouncing these bombings through our official voice, Radio 15 September, the voice of a people who are determined to be free.

On 26 December, FSLN troops invaded the Honduran localities known as Mokoron, Auca, Tipia and Lemus. They attacked innocent and peaceful families of the coast with mortar and rifle fire. These families fled the terror of the mangy dogs and took refuge in Honduras. A few days later, on 31 December, the FSLN hordes invaded Honduras again. This time they invaded via the (Volta) and Segovia rivers near Auca. The invading FSLN troops then criminally attacked the camps of Miskito refugees with rifle and mortar fire, killing at least 200 innocent persons.

The FDN publicly and vigorously condemns the genocide carried out by the assassin troops of the frontist dictatorship. It also condemns the constant invasions of Honduras by the FSLN criminals. These constitute flagrant violations of the sovereignty of the Honduran people and government. We also issue a call to the International Red Cross, Amnesty International, the International Human Rights Commission, the OAS, the United Nations and the other international organizations which advocate human rights. We ask them to look into this matter, investigate it and harshly sanction the dictatorial frontist regime.

We believe these constant invasions of Honduras are not only violations of Honduran Sovereignty but provocations against the people and government of that fraternal country, the birthplace of Francisco Morazan. The FDN wants to express its sympathy to the Nicaraguan people and especially to the relatives of the victims of this genocide. We pray that the creator may receive our fallen martyrs. We promise that we will not give up this struggle. We also affirm that the only feasible way to find peace in our fatherland is through armed struggle to overthrow the communist regime.

With God and patriotism we will defeat communism.

BRIEFS

TELCOR PROJECTS -- In 1981, the National Communications and Postal Directorate (TELCOR) carried out many projects to improve communications throughout the country. The main projects include the expansion and improvement of the telephone, telegraph and postal service in Matagalpa. In addition, several million cordobas were invested to improve these services in the country's west. In Leon and Chinandega, the communications network was increased and buildings were constructed to house the modern plants and offices which will serve these departments. A 2-million-cordoba building is being constructed in Puerto Cabezas. A modern automated plant will operate there to incorporate the Atlantic region into the rest of the country. [Managua Radio Sandino Network in Spanish 1200 GMT 31 Dec 81 PA]

TELEVISION TO PUERTO CABEZAS -- The installation of a microwave route for the transmission of a television channel between Managua and Puerto Cabezas and 120 telephone lines is the goal of the National Communications and Postal Directorate for 1982. This project will have a total cost of 35 million cordobas and has been financed through a credit granted by the French Government. [Managua Radio Sandino in Spanish 1800 GMT 30 Dec 81 PA]

REAGAN SANCTIONS ON USSR SHOWS IMPERIALIST DEFEAT

PA011521 Havana International Service in Spanish 0000 GMT 1 Jan 82

["World Events" commentary read by Angel Hernandez]

[Text] U.S. press agencies had announced that President Ronald Reagan would be spending the last week of 1981 resting in Los Angeles, California. That made one suppose that the year would come to end without the U.S. Government adopting any other harebrained actions such as those that characterized it during the past 12 months. We miscalculated things, however.

Reagan momentarily interrupted his rest period on Tuesday to announce to the world the adoption of a number of measures against the USSR. This action did not surprise anybody, of course, because the U.S. Government has spent all of 1981 adopting measures against the USSR, Cuba, Nicaragua and El Salvador, and against detente, disarmament and peace. What really does surprise us is the excuse Reagan has used on this occasion. According to the U.S. President, the anti-Soviet measures now being adopted by Washington are in reprisal for Soviet responsibility for events in Poland over the past few weeks. Equally amazing were President Reagan's words after announcing the new anti-Soviet measures. The U.S. President pointed out that his country wants to maintain, quote, constructive and mutually beneficial relations, unquote, with the USSR.

It would take a lot of effort and imagination to believe that it is possible to maintain constructive and mutually beneficial relations with a country against which one has adopted measures so aggressive and unjustified as those now being adopted by Washington against the USSR. Ronald Reagan's statement could be called ridiculous if it weren't for the fact that, in practice, all it achieves is to further strain the international political situation which, during a large part of 1981, witnessed dramatic moments because of the aggressive policy adopted by the Washington government.

The truth of the matter is that it is nonetheless ridiculous that the United States has accused the Soviet Union of being responsible for the most recent events in Poland. It is no secret to anyone that for many years the U.S. Government, the CIA, and the so-called great U.S. press have been waging a fierce campaign of lies to discredit the Polish Government. Nor is it a secret that the U.S. imperialists have been inciting the Polish antisocialist elements so that they would increase their counterrevolutionary actions.

The forceful and patriotic steps taken by the Polish Government have blocked those counterrevolutionary actions as well as the manifest influence of the United States and other capitalist powers. This was a sovereign decision of the Polish authorities, and it is precisely this sovereign decision that provoked the wrath of President Reagan and prompted him to say ridiculous things and adopt absurd measures. The U.S. imperialists had woven many dreams regarding the possibility of reversing the socialist order in Poland. However, the measures adopted by the government of that European country and the positive way in which they have been accepted by the majority of the Polish people have virtually dashed the imperialist dreams and at the same time have greatly reduced international tension. So, all in all, the new anti-Soviet measures announced by President Reagan are nothing else than the usual tantrum of ar ogant imperialism, which has just suffered another crushing defeat.

GROWTH RATE OF 2.5 PERCENT FORECAST FOR 1982

FL010054 Bridgetown CANA in English 2235 GMT 31 Dec 81

[By Lionel Martin]

[Text] Havana, 31 Dec (CANA-REUTER) -- Cuba's growth rate surged by 12 per cent his year but the economy is expected to slow down to not more than 2.5 per cent growth in 1982, according to official figures released today. Central Planning Minister Humberto Perez was quoted as saying 1981 was "the year in which we have obtained the best economic results since the revolution triumphed."

Figures from Cuba's 1982 economic plan and budget were published in the newspaper GRANMA along with speeches made to Cuba's National Assembly by Mr Perez and Finance Minister Francisco Garcia Valls. The 12 per cent growth this year was caused mainly by the poor performance of the economy in 1980 when plant disease seriously damaged sugar and tobacco production.

Mr Garcia Valls said a high 1981 budget deficit of 785.2 million pesos (981 million dollars), compared with 249 million pesos (311 million dollars) in 1980, was caused by the fall of world sugar prices and extra spending to fight a national dengue fever epidemic. He said increases in expenditure on social security, wages and prices paid to small farmers contributed to the large deficit. Mr Perez reported that industrial production had grown by 12 per cent and agricultural production by 9 per cent in 1981. He said productivity per man-hour grew 10 per cent. He said growth in 1982 would not be higher than 2.5 per cent because of expected low prices for crude sugar on the world market and the growing cost of products that Cuba must buy overseas.

Mr Perez said high rates of interest that Cuba has to pay for its loans and the policy of the government "to give priority to the fulfillment of our international financial commitments" made a modest growth rate advisable. The new state budget, approved by the Cuban National Assembly on Tuesday, shows spending cuts in all major spheres of the economy for 1982, including defence and national security. The total budget comes to 9.8 billion pesos (more than 12 billion dollars) compared with 11 billion pesos (more than 13 billion dollars) for this year's budget.

GRANMA EDITORIAL RECOUNTS 1981 VICTORIES

FL311700 Havana Domestic Service in Spanish 1145 GMT 31 Dec 81

[Text] After 12 months of enormous efforts and achievements in the economic field, in spite of the difficulties caused by the economic crisis which is making the international panorama even gloomier, our people stand ready to celebrate "Liberation Day" tomorrow with justifiable revolutionary joy, and with this new victory anniversary, the beginning of the 24th year of the revolution. This is expressed by the official Central Committee organ, the newspaper GRANMA, in an editorial published today.

It stresses that 1 January [1959] marked the collapse of one world and the birth of another. The revolutionary victory that arrived with the new year banished the class and exploitation society that was the cause of all vices, inequality and miseries. At the very footstep of the world's most powerful imperialist nation, a deep and irreversible radical change was beginning. The first socialist revolution in the Western Hemisphere had started.

The editorial reminds us that amid the most difficult circumstances our people have struggled and sacrificed to achieve and defend the right work, peace and happiness, their right to reap the benefits of freedom, socialism, equality, progress and social justice.

The price has been paid in much blood, sweat and sacrifice. But imperialism has not been able to prevent Cuba from having the most advanced and spectacular social development on this continent as a result of the heroic efforts and unwavering firmness of our people.

After pointing out that the watchword of "production and defense" launched by the party's second congress has taken shape with extraordinary force in 1981 -- a year justly considered to be the best in economic achievement during the entire period of the revolution -- GRANMA points out that all of our country's economic improvements during this year, have been achieved amid the necessary efforts to keep from neglecting the defense of the fatherland, and in spite of the capitalist world's deep economic crisis which affects all nations -- especially the underdeveloped nations -- and also adversely influences the economy of the socialist nations. In addition, the year was marked by a sharp fall in sugar prices. GRANMA asks: What kind of social and economic picture would our country show if that historic 1 January had not come to pass? A nation such as Cuba, which lacks oil resources -- and restricted as it was to monoculture and made dependent on the U.S. market by the neocolonial imperialist system -- would find itself at the same level as most of the underdeveloped republics that have not been able to rid themselves of imperialist chains, plunged into the most appalling misery, drowning economically, suffering more unendurable effects each day from the capitalist world's crisis which grows worse every day.

All of those thoughts and reflections will be on the minds of our men and women when they toast to the victory and to the new year -- the 24th year of the revolution -- and those who made that 1 January 1959 possible will be gratefully remembered and honored. And all, young and old, as actors in this beautiful revolutionary epic, will reaffirm our decision of making 1982 a new year of victory. And the GRANMA editorial ends: Let us once again move forward along the road of economic efficiency in all production and service sectors. Let us make of conservation and the rational use of resources, and of maximum efficiency, exigency and responsibility, a combat flag for our people and the guidelines for conduct of each Cuban. Let us strenthen the economy and let us strengthen defense.

SEYCHELLES DELEGATION ARRIVES FOR VISIT

FL311737 Havana Domestic Service in Spanish 1700 GMT 31 Dec 81

[Text] A high-ranking delegation from the Republic of Seychelles has arrived in our country. The delegation is headed by (Jeremias Boleyn), deputy foreign minister of that country. The delegation is here at the invitation of Cuban scientific and technical cooperation organizations. The delegation will remain in our country for several days and will hold talks with officials from the State Committee for Economic Cooperation and from the Foreign Ministry.

RODRIGUEZ RECEIVES LAO DELEGATION, TALKS CONTINUE

FL311130 Havana Domestic Service in Spanish 1013 GMT 31 Dec 81

[Text] Carlos Rafael Rodriguez, member of the Politburo and vice president of the Councils of State and Ministers, has received in Havana the delegation from Lao People's Democratic Republic to the first session of the Intergovernmental Committee for Economic, Scientific and Technical Cooperation. The Lao delegation is headed by Khambou Soumisai, alternate member of the Lao People's Revolutionary Party's Central Committee and chairman of the Committee on Wages. Comrade Soumisai stressed the importance of the joint committee meetings and the agreements reached which constitute the basis for the development of cooperation in the coming years. Comrade Carlos Rafael Rodriguez relayed our country's feelings of solidarity with the Lao people to the visitors and expressed his satisfaction with the results of the talks and the willingness to continue the exchanges between the two countries.